

## RUSSIA AND THE WEST IN IRAN

of Iran, the so-called Bank-i-Melli-yi-Iran, was created, to which the privilege of issuing banknotes was granted, a privilege formerly enjoyed by the British-controlled Imperial Bank of Iran.

The building of a powerful national state free of foreign domination was in the forefront of all of Reza's policies. Reference was made earlier to the challenging attitude of the Shah toward England. This attitude can best be illustrated by three issues on which the ways of Iran and Great Britain parted. The first was the problem of advisers; the second, the Bahrein controversy; and the third, the oil dispute.

## FOREIGN ADVISERS AND BAHREIN

As a result of the Anglo-Iranian Agreement of 1919 military and economic British missions arrived in Teheran. Although it is difficult to ascertain to what degree the Military Mission succeeded in influencing the reorganization of the army, it is certain that the Financial Mission headed by Armitage Smith and James Balfour did manage to introduce some semblance of order into Iranian finances. The nationalist propaganda against the agreement and the resultant failure of the Majlis to ratify it caused the withdrawal of the British missions and the disbandment of the South Persia Rifles by the fall of 1921. The evacuation of British troops earlier in the same year was an additional reason for the waning of British influence. By the beginning of 1922 Iran, at least insofar as the central authorities and the army were concerned, was entirely free of any British dictation. Later the Iranian government carefully avoided hiring British advisers. In 1922 an American financial adviser, Dr. Arthur C. Millspaugh, was invited to

continue the inter-  
rupted work of the British mission. When his term  
expired in 1927,  
Iran turned to German advisers, again leaving the  
"British out of the  
picture. In the great enterprise of the Transiranian  
Railroad, coura-  
geously undertaken by Reza Shah against heavy  
technical and finan-  
cial odds, the British were treated like any other  
nation that could  
contribute technically to the construction. British  
firms, like the  
Richard Costain Company, were hired, but alongside  
with American,  
can, German, Italian, and other concerns.  
Furthermore, the line  
along which the Transiranian was constructed was  
not entirely ac-